

PAYROLL

To: All State Agencies, Boards and Commissions

From: Steven L. Valasek, Director of State Accounting

Date: December 17, 2004

Subject: Change in State Minimum Wage Rates

Number: 8-04

Effective January 1, 2005, the State minimum wage rate will increase. 820 ILCS 105/4 (a) states "on and after January 1, 2005 every employer shall pay to each of his or her employees who is 18 years of age or older in every occupation wages of not less than \$6.50 per hour".

This change will cause the State minimum wage rate to be higher than the Federal minimum wage rate. However, pursuant to 740 ILCS 170/4, agencies are still required to continue to calculate garnishments based on the Federal minimum wage rate.

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